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2014 OCT 22 P 2: 16

LICORPICOMMISSION DOCKET CONTROL

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, CHAIRMAN GARY PIERCE BRENDA BURNS SUSAN BITTER-SMITH BOB BURNS

IN THE MATTER OF THE APPLICATION OF DRAGOON WATER COMPANY, INC. FOR AN INCREASE IN ITS RATES

Arizona Corporation Commission DOCKETED

OCT 2 2 2014

DOCKETED BY

DOCKET NO. W-01917A-14-0313

NOTICE OF FILING AFFIDAVIT OF MAILING CUSTOMER NOTICE

Dragoon Water Company, Inc. ("Company") hereby files Affidavit of Mailing the customer notice relating to this matter. *See* Attachment 1.

DATED this 22nd day of October, 2014.

MOYES SELLERS & HENDRICKS

La March

Steve Wene

Original and 13 copies of the foregoing filed this 22nd day of October, 2014, with:

Docket Control Arizona Corporation Commission 1200 West Washington Phoenix, Arizona 85007

Attachment 1

1 **AFFIDAVIT** 2 3 STATE OF ARIZONA SS. 4 County of Pima 5 I, the undersigned, after being first duly sworn upon my oath, hereby affirm as follow: 6 1) I am over the age of eighteen. 7 I have personal knowledge of the statements set forth herein and I am competent to testify at a hearing or trial with respect to the same. 8 I certify that on behalf of Dragoon Water Company, Inc., on or before August 28, 2014, I mailed, or caused to be mailed, to each Company customer a copy of the customer 10 notifications attached hereto. 11 DATED this Znd day of September, 2014. 12 13 14 Southwestern Utility Management, Inc. 15 16 SUBSCRIBED AND SWORN TO before me, a Notary Public, this Znd day of 17 September, 2014. 18 19 Notary Public 20 21 My Commission Expires: Pima County 22 5/27/2015 23

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CUSTOMER NOTIFICATION

Dragoon Water Company has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since August 30, 2002. An increase in rates is necessary at this time due to increasing operating costs, and necessary system repairs and upgrades. Based on the Company's un-audited Test Year results, Dragoon Water Company, Inc. realized an operating loss of (\$19,120). The Company is requesting a revenue increase of \$60,018, or 65% of total revenues. Please see the attached pages 9 and 11 of the Company's application for the current and proposed rates.

The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street (for Tucson, call 800-535-0148 if located outside the Tucson local calling area or 520-628-6555 if inside the Tucson local calling area) and at Southwestern Utility Management, Inc., 2015 North Forbes Blvd, Suite 107, in Tucson, Arizona. Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application, including service, billing procedures or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7000 (if located outside the Phoenix local calling area) or 602-542-4251 in the Phoenix local calling area. Customers may also contact the Tucson Commission office by calling 800-535-0148 (if located outside the Tucson local calling area) or 520-628-6555 in the Tucson local calling area.

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concerns in developing its recommendations to the Commission.

CURRENT AND PROPOSED RATES AND CHARGES

CUSTOMER CLASS: Residential _ Commercial _ Industrial _

Irrigation _ All X Other, specify _____

MINIMUM OR SERVICE CHARGES 5/8" x 3/4" Meter 3/4" Meter 1" Meter 1-1/2" Meter 2" Meter

3" Meter 4" Meter 6" Meter

\$	GALLO	NS	
32.00	for	0	
48.00	for	0	
80.00	for	0	
160.00	for	0	
256.00	for	0	
512.00	for	0	
800.00	for	0	
1,600.00	for	0	

CURRENT RATES

\$		GALLONS			
\$	55.00	for	0		
\$	82.50	for	0		
\$	137.50	for	0		
\$	275.00	for	0		
\$	440.00	for	0		
\$	880.00	for	0		
\$	1,375.00	for	0		
\$:	2,750.00	for	0		

PROPOSED RATES

Proposed Rates

GALLONS IN EXCESS OF
MINIMUM
Commodity Charge in
Excess of Minimum
(Charge Per 1,000 Gallons)
First Tier
Second Tier
Third Tier
Flat Rate

Rate	Gallons		
\$3.25	Up to 3,000		
\$5.40	3,001 to 10,000		
\$6.80 Over 10,000			
N/A			

Current Rates

Rate		Gallons
\$	5.28	Up to 3,000
\$	8.76	3,001 to 10,000
\$	10.56	Over 10,000
	N/A	

Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.

NA

NA

NA

NA

Industrial__

CUSTOMER CLASS: Residential _

2" Meter

3" Meter

4" Meter

6" Meter

CURRENT AND PROPOSED RATES AND CHARGES

Commercial __

Irrigation	_ All Other, speci	fy: <u>Standpipe</u>
	CURRENT RATES	PROPOSED RATES
MINIMUM OR SERVICE CHARGES	\$ GALLONS	\$ GALLONS
5/8" x 3/4" Meter	NA	NA
3/4" Meter	NA	NA
1" Meter	NA	NA
1-1/2" Meter	NA	NA

NA

NA

NA

NA

GALLONS IN EXCESS OF MINIMUM	Current Rates	Proposed Rates
Commodity Charge in Excess of Minimum (Charge Per 1,000 Gallons)	Rate Gallons	Rate Gallons
Flat Rate	\$7.50 for all gallons	\$8.50 for all gallons

Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.

CURRENT AND PROPOSED SERVICE CHARGES

CUSTOMER CLASS: Residential

Commercial

Industrial

Irrigation

All X

Other, specify _____

			PROPOSED CHARGES			GES
SERVICE LINE AND METER INSTALLATION CHARGES		CURRENT CHARGES		SERVICE LINE CHARGES	METER CHARGES	TOTAL CHARGES
5/8" x 3/4" Meter	\$	400.00	\$	445.00	\$ 155.00	\$ 600.00
3/4" Meter	\$	475.00		445.00	255.00	700.00
1" Meter	\$	550.00		495.00	315.00	810.00
1-1/2" Meter	\$	775.00		550.00	525.00	1,075.00
2" Turbine Meter	\$	1,375.00		830.00	1,045.00	1,875.00
2" Compound Meter	\$	1,375.00		830.00	1,890.00	2,720.00
3" Turbine Meter	\$	1,975.00		1,045.00	1,670.00	2,715.00
3" Compound Meter	\$	1,975.00		1,165.00	2,545.00	3,710.00
4" Turbine Meter	\$	3,040.00		1,490.00	2,670.00	4,160.00
4" Compound Meter	\$	3,040.00		1,670.00	3,645.00	5,315.00
6" Turbine Meter	\$	5,635.00		2,210.00	5,025.00	7,235.00
6" Compound Meter	\$	5,635.00		2,330.00	6,920.00	9,250.00
Over 6"	1	none approved		At Cost	At Cost	At Cost

OTHER CHARGES	CURRENT CHARGES		PROPOSED CHARGES	
Establishment	\$	55.00	\$	55.00
Reconnection (delinquent)	\$	65.00		65.00
Reconnection (after hours)	\$	75.00		NA
After Hours Service Charge	non	e approved		35.00
Meter Test		50.00		50.00
Deposit		*		(a)
Deposit Interest		6%		(a)
Re-establishment (within 12 months)		(b)		(b)
NSF Check	\$	15.00	\$	30.00
Deferred Payment		1.5%		1.5%
Meter Re-read	\$	15.00	\$	25.00
Late Fee	1.5	5% per month	1.5%	per month

Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.

^{*} Residential: 2 times estimated average monthly bill, Commercial: 2-1/2 times estimated maximum monthly Per Commission Rule A.A.C. R-14-2-403(B)